

LABOR MARKET REVIEW

Economic Growth Region 4

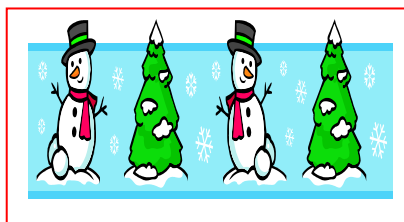
Statistical Data for December 2006

February 2007

DECEMBER 2006 UNEMPLOYMENT RATES (Preliminary Not-Seasonally Adjusted)

Release Date: 1/29/07

AREA	12/06	11/06	12/05
U.S.	4.3%	4.3%	4.6%
INDIANA	4.7%	4.5%	5.3%
EGR 4*	4.5%	4.3%	5.3%
Kokomo MSA**	5.5%	5.3%	6.5%
Lafayette MSA***	3.9%	3.6%	4.6%
Benton	4.8%	4.8%	5.4%
Carroll	4.2%	3.8%	4.8%
Cass	5.0%	4.8%	5.7%
Clinton	4.8%	4.4%	6.0%
Fountain	4.4%	4.4%	5.3%
Howard	5.6%	5.5%	6.7%
Miami	5.7%	5.6%	5.9%
Montgomery	3.9%	3.6%	4.5%
Tippecanoe	3.7%	3.5%	4.5%
Tipton	5.0%	4.6%	5.5%
Warren	3.2%	3.3%	3.9%
White	4.6%	4.5%	6.1%
Attica	3.7%	4.0%	4.5%
Crawfordsville	5.4%	5.0%	5.9%
Delphi	6.0%	5.5%	5.4%
Fowler	5.1%	5.3%	4.3%
Frankfort	6.4%	5.6%	8.0%
Kokomo	6.7%	6.5%	7.9%
Lafayette	4.3%	4.0%	5.1%
Logansport	5.9%	5.6%	6.5%
Monticello	5.7%	5.4%	8.5%
Peru	7.0%	7.0%	7.1%
Tipton	5.8%	4.7%	6.5%
Williamsport	3.8%	4.7%	4.6%



REGIONAL AND STATE UNEMPLOYMENT (SEASONALLY ADJUSTED)

Regional and state unemployment rates were little changed in December.

Overall, 17 states recorded over-the-month unemployment rate decreases, 15 states and the District of Columbia registered increases, and 18 states had no change, the Bureau of Labor Statistics reported. Over the year, jobless rates were down in 38 states, up in 8 states and the District of Columbia, and unchanged in 4 states.

Mississippi reported the highest unemployment rate in December, 7.5 percent, followed by Michigan at 7.1 percent, Alaska at 6.7 percent, and South Carolina at 6.6 percent. The District of Columbia registered a jobless rate of 6.3 percent. Hawaii and Utah again recorded the lowest rates, 2.0 and 2.6 percent, respectively.

In December, the Midwest registered the highest unemployment rate among the four regions, 5.0 percent. The South reported the lowest rate, 4.3 percent, followed closely by the Northeast and West, at 4.4 and 4.5 percent, respectively. No region recorded a statistically significant unemployment rate change from November. All four regions posted significantly lower unemployment rates than a year earlier; the Northeast and South (-0.4 percentage point each) and the Midwest and West (-0.3 point each).

*EGR 4 includes Benton, Carroll, Cass, Clinton, Fountain, Howard, Miami, Montgomery, Tippecanoe, Tipton, Warren and White counties

**Kokomo MSA includes Howard and Tipton counties

***Lafayette MSA includes Benton, Carroll and Tippecanoe counties

*** All unemployment rates used are non-seasonally adjusted

Source: Local Area Unemployment Statistics — Indiana Workforce Development

SURROUNDING STATES DECEMBER 2006 UNEMPLOYMENT RATES (Preliminary Not-Seasonally Adjusted)

Illinois – 3.9% Indiana – 4.7% Kentucky – 4.9% Michigan – 6.9% Ohio – 5.4%

UNEMPLOYMENT RATE RANKING by COUNTY (High to Low)

Dec 2006 RANK	COUNTY	Dec 2006 RATE
18	Miami	5.7%
20	Howard	5.6%
38	Cass	5.0%
40	Tipton	5.0%
43	Benton	4.8%
44	Clinton	4.8%
55	White	4.6%
59	Fountain	4.4%
66	Carroll	4.2%
79	Montgomery	3.9%
85	Tippecanoe	3.7%
90	Warren	3.2%

LAFAYETTE MSA

(Benton, Carroll, and Tippecanoe Counties)

WAGE AND SALARIED EMPLOYMENT

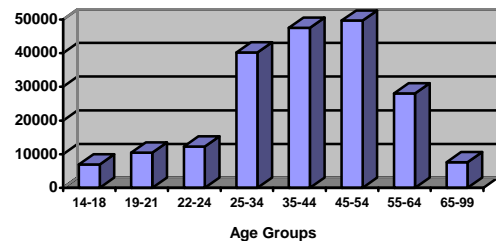
	Dec 2006	Nov 2006	Dec 2005	CHANGE FROM		Dec 2005 TO Dec 2006	Dec 2005 TO Dec 2006
				Nov 2006 TO Dec 2006			
Total Private	66,600	66,600	66,600	+0	+0.0%	+0	+0.0%
Goods Producing	21,000	21,000	20,900	+0	+0.0%	+100	+0.5%
Service-Providing	72,400	74,000	74,400	-1,600	-2.2%	-2,000	-2.7%
Private Srvc Provider	45,600	45,600	45,700	+0	+0.0%	-100	-0.2%
Nat. Res & Construction	3,600	3,700	3,600	-100	-2.7%	+0	+0.0%
Manufacturing	17,400	17,300	17,300	+100	+0.6%	+100	+0.6%
Durable Goods	13,100	13,000	13,100	+100	+0.8%	+0	+0.0%
Non-Durable Goods	4,300	4,300	4,200	+0	+0.0%	+100	+2.4%
Trade, Transportation, Utility	14,700	14,500	14,700	+200	+1.4%	+0	+0.0%
Wholesale Trade	2,000	2,000	1,900	+0	+0.0%	+100	+5.3%
Retail Trade	10,600	10,400	10,700	+200	+1.9%	-100	-0.9%
Trans, Warehouse, Utility	2,100	2,100	2,100	+0	+0.0%	+0	+0.0%
Information	1,000	1,000	1,000	+0	+0.0%	+0	+0.0%
Financial Activities	3,600	3,600	3,800	+0	+0.0%	-200	-5.3%
Professional & Business	5,200	5,300	5,100	-100	-1.9%	+100	+2.0%
Educational and Health	9,500	9,500	9,400	+0	+0.0%	+100	+1.1%
Leisure and Hospitality	8,600	8,700	8,800	-100	-1.1%	-200	-2.3%
Accommodation and Food	8,000	8,100	8,000	-100	-1.2%	+0	+0.0%
Other Services	3,000	3,000	2,900	+0	+0.0%	+100	+3.4%
Government	26,800	28,400	28,700	-1,600	-5.6%	-1,900	-6.6%
Federal Government	700	700	700	+0	+0.0%	+0	+0.0%
State Government	19,300	21,000	21,300	-1,700	-8.1%	-2,000	-9.4%
Local Government	6,800	6,700	6,700	+100	+1.5%	+100	+1.5%
Local Govt Education	4,300	4,200	4,200	+100	+2.4%	+100	+2.4%

Source: Indiana Workforce Development, Research & Analysis, Current Employment Statistics

LOCAL EMPLOYMENT DYNAMICS

Local Employment Dynamics (LED), a partnership between the Indiana Department of Workforce Development and the U.S. Census Bureau, provides innovative demographic employment information (Quarterly Workforce Indicators) for local decision makers, economic development agencies, education and training institutions, and transportation agencies. The Quarterly Workforce Indicators (QWI) measure the performance of the local economy. Turnover, separations, new hires, and average new hire earnings by county, metropolitan area, and Workforce Investment area are among the data items on the web site. The web address is: <http://lehd.dsd.census.gov/led/>. Select QWI On-line under Quick Links.

Economic Growth Region 4 Total Employment by Age Groups, 4th Quarter 2005



14-18	19-21	22-24	25-34	35-44	45-54	55-64	65-99
6,957	10,500	12,230	40,168	47,558	49,658	28,071	7,613

Source: U.S. Bureau of Census, Local Employer-Household Dynamics (LEHD), Local Employment Dynamics (LED), Industry Focus, 4th quarter 2005.

TOTAL UNEMPLOYMENT CLAIMS BY LOCAL OFFICE

Source: Indiana Workforce Development, Research & Analysis, Workforce Transition Unit

Local Office	December 2006	November 2006	Previous Month % Change	December 2005	Previous Year % Change
Kokomo	10,355	7,155	44.7%	13,516	-23.4%
Lafayette	11,668	9,261	26.0%	12,590	-7.3%
INDIANA	298,213	241,826	23.3%	286,068	4.2%



	Dec 2006	Nov 2006	Dec 2005	CHANGE FROM		Nov 2006 TO Dec 2006	Dec 2005 TO Dec 2006
Total Nonfarm	47,600	47,700	47,500	-100	-0.2%	+100	+0.2%
Total Private	39,900	40,000	40,000	-100	-0.3%	-100	-0.3%
Goods Producing	16,800	17,000	16,900	-200	-1.2%	-100	-0.6%
Service-Providing	30,800	30,700	30,600	+100	+0.3%	+200	+0.7%
Private Srvc Provider	23,100	23,000	23,100	+100	+0.4%	+0	+0.0%
Nat. Res & Construction	1,300	1,400	1,400	-100	-7.1%	-100	-7.1%
Manufacturing	15,500	15,600	15,500	-100	-0.6%	+0	+0.0%
Durable Goods	14,700	14,700	14,700	+0	+0.0%	+0	+0.0%
Transportation Equipment	12,400	12,500	12,200	-100	-0.8%	+200	+1.6%
Trade, Transportation, Util	8,300	8,200	8,000	+100	+1.2%	+300	+3.8%
Wholesale Trade	1,100	1,100	1,100	+0	+0.0%	+0	+0.0%
Retail Trade	6,400	6,300	6,100	+100	+1.6%	+300	+4.9%
Trans,Warehouse, Utility	800	800	800	+0	+0.0%	+0	+0.0%
Information	300	300	300	+0	+0.0%	+0	+0.0%
Financial Activities	1,500	1,500	1,500	+0	+0.0%	+0	+0.0%
Professional and Business	3,100	3,100	3,000	+0	+0.0%	+100	+3.3%
Educational and Health	3,600	3,600	3,700	+0	+0.0%	-100	-2.7%
Leisure and Hospitality	3,900	3,900	4,200	+0	+0.0%	-300	-7.1%
Other Services	2,400	2,400	2,400	+0	+0.0%	+0	+0.0%
Government	7,700	7,700	7,500	+0	+0.0%	+200	+2.7%
Local Government	6,600	6,600	6,300	+0	+0.0%	+300	+4.8%
Local Govt Education	2,900	2,900	2,800	+0	+0.0%	+100	+3.6%

Source: Indiana Workforce Development, Research & Analysis, Current Employment Statistics

Bureau of Labor Statistics Reports...



On average, public employees in 5 communities in the Boston, Mass. area called in sick about 8 or 9 days a year -- in the private sector about 5 or 6 days, according to business groups (Matt Carroll, Boston Globe, http://www.boston.com/news/local/massachusetts/articles/2006/09/17/out_sick_again?mod=PF). Using sick days as personal days is not just a problem in the public sector. Private companies wrestle with the issue, although they generally offer fewer sick days as a benefit and fewer such days are taken. But only between 3 and 5 percent of private companies offer as many as 10 to 15 days of sick time, according to a survey of companies in Massachusetts by Associated Industries. Overall, paid sick leave is offered by about 50 percent of the nation's firms, according to the Bureau of Labor Statistics. Private industry employees take fewer sick days, too. Data from CCH Inc., an Illinois-based company that tracks business data, indicate that those workers take, on average, about five to six "unscheduled absences" from work per year.

Economists agree: It's time to shut off electronic devices, put up tray tables and return your seat to an upright position. The economy is coming in for a landing. Optimists say it will be the much sought after "soft landing" when the economy slows but doesn't skid into recession. But some economists now are forecasting a bumpy landing, or even worse. The risk of an outright recession is rising due to the sharp slowdown in the housing market and a downturn in auto sales — two key sectors that may already be in recession themselves. "The way I would put it, the odds of recession have risen over the past month," said Mark Zandi, chief economist for Moody's Economy.com. ("New worry: A hard 'soft landing'", by Chris Isidore, CNN Money, http://money.cnn.com/2006/09/28/news/economy/bumpy_landing/index.htm?postversion=2006092821)

About 42 percent of U.S. employers rate newly hired high school graduates overall as deficient in critical workplace skills, while almost 46 percent of employers consider their preparation for entry-level jobs as adequate, according to a survey released Oct. 2 by the Conference Board and three other groups. By contrast, 65 percent to 70 percent of survey participants viewed graduates of two-year and four-year colleges as much better prepared for their entry-level jobs, with only about 10 percent of employers considering these graduates' preparation as deficient, the survey found. "The future workforce is here, and it is ill-prepared," concluded the survey report, *Are They Really Ready to Work?* "This study should serve as an alert to educators, policy makers and those concerned with U.S. economic competitiveness that we may be facing a skills shortage," said Susan R. Meisinger, president and chief executive office of SHRM. ("Many Employers Rate High School Graduates As Deficient in Workplace Skills, Survey Says", Daily Labor Report, page A-9)

CONSUMER PRICE INDEX

(CPI-U)

Unadjusted percent change to Dec 2006 from:

	<u>Dec 05</u>	<u>Nov 06</u>
U.S. City Average		
All Items	2.5%	.1%
Food & Beverages	2.2%	.1%
Housing	3.3%	.1%
Apparel	.9%	-2.5%
Transportation	1.6%	.9%
Medical Care	3.6%	.0%
Recreation	1.0%	-.4%
Education & Communication	2.3%	-.1%
Other Goods & Services	3.0%	.7%
 Midwest Region (All Items)*	 1.7%	 .1%

Source: U.S. Bureau of Labor Statistics

*Midwest Region = Midwest Urban Average. Expenditure categories are not available on a regional basis.

Midwest Region includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

WAGE DEMAND INFORMATION

As of 2/11/2007

The Department of Workforce Development Customer Self Service System (CS3) performs matches between job applicants looking for work and employers looking for new employees. *Wage Demand* provides the number of applicants registered in CS3, as well as the annual and median wages that the applicants define as their wage expectations.

County/Region	Average Annual Wage Demand	Median Annual Wage Demand	Number Of Applicants
Benton	\$32,708	\$20,800	233
Carroll	\$23,429	\$20,800	570
Cass	\$24,499	\$20,800	1,319
Clinton	\$27,109	\$20,800	949
Fountain	\$24,885	\$22,880	320
Howard	\$24,315	\$20,800	3,795
Miami	\$25,681	\$20,800	1,724
Montgomery	\$25,808	\$20,800	749
Tippecanoe	\$23,615	\$20,800	3,822
Tipton	\$25,620	\$22,880	495
Warren	\$23,921	\$20,800	117
White	\$26,730	\$20,800	712
EGR 4	\$24,824	\$20,800	14,805
Indiana	\$27,752	\$20,800	173,315

REGION 4 APPLICANT POOL

As of 2/11/2007

<u>Job Titles</u>	<u>Number of Applicants</u>
1st Line Supv : Production	1,207
Administrative Assistants	1,002
All Other Hand Workers	1,954
All Other Machine Operators	2,754
All Other Machine Setters & Set-Up Oper	1,236
All Other Metal & Plastic Mach Operators	1,159
All Other Precision Assemblers	1,437
Assemblers (Factory Work)	6,258
Cashiers, General	1,389
Electrical & Electronic Equipment Assembly	994
File Clerks	1,000
Forklift/Industrial Truck Operators	2,620
General Office Clerks	1,512
Hand Packers & Packagers	1,724
Machine Assemblers	1,227
Production Helpers	1,758
Production Inspectors, Testers, Graders	1,286
Production Laborers	4,760
Receptionists/Information Clerks	1,231
Shipping & Receiving Clerks	1,079

The Department of Workforce Development's Customer Self Service System (CS3) performs matches between job applicants looking for work and employers looking for applicants to hire. *Applicant Pool* provides a numerical listing of the top jobs being sought by job applicants.

Kim Stevenson

Regional Market Analyst

WorkOne Terre Haute

(812) 234-6602 ext. 327

kstevenson@dwd.in.gov

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